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WINN PARISH POLICE JURY
Winnfield, Louisiana

Basic Financial Statements
With Independent Auditor's Report
As of and for the Year Ended
DECEMBER 31, 2005
With Supplemental Information Schedules

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 7/5/06

WINN PARISH POLICE JURY
Winnfield, Louisiana

**Basic Financial Statements
With Independent Auditor's Report
As of and for the Year Ended
DECEMBER 31, 2005
With Supplemental Information Schedules**

T A B L E O F C O N T E N T S

	<u>Statement</u>	<u>Page</u>
Independent Auditors' Report	---	1-2
Required Supplemental Information: Management's Discussion and Analysis		3-8
Basic Financial Statements:		
Government-Wide Financial Statements:		
Statement of Net Assets	A	10
Statement of Activities	B	11
Fund Financial Statements – Governmental Funds:		
Balance Sheet	C	12
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets		13
Statement of Revenues, Expenditures, and Changes in Fund Balances	D	14
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Funds to the Statement of Activities		16
Notes to Financial Statements	---	18-32
	<u>Schedule</u>	
Required Supplemental Information: Budget Comparison Schedules – Major Funds	1-5	34-38
Other Supplemental Information Schedules:		
Non-Major Governmental Funds:		
Combining Balance Sheet	6	40
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances	7	41
Schedule of Compensation Paid Police Jurors	8	42
Schedule of Expenditures of Federal Awards	9	43

WINN PARISH POLICE JURY
Winnfield, Louisiana

T A B L E O F C O N T E N T S (Continued)

	<u>Exhibit</u>	<u>Page</u>
Compliance, Internal Control and Other Information:		
Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	---	45-46
Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133	---	47-48
Schedule of Findings and Questioned Costs	A	49
Schedule of Prior Year Audit Findings	B	50

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LAWRENCE J. WHITE, C.P.A.

STEVEN F. BATES, C.P.A.

INDEPENDENT AUDITORS' REPORT

To the Jury Members of the
Winn Parish Police Jury

June 2, 2006

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Winn Parish Police Jury, Winnfield, Louisiana, as of and for the year ended December 31, 2005, which collectively comprise the basic financial statements of the Parish's primary government as listed in the table of contents. These financial statements are the responsibility of the Winn Parish Police Jury's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards, standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *Louisiana Governmental Audit Guide*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The financial statements referred to above include only the primary government of the Winn Parish Police Jury, which consist of all funds, organizations, institutions, agencies, departments and offices that comprise the police jury's legal entity. The financial statements do not include financial data of the police jury's legally separate component units, which accounting principles generally accepted in the United States of America require to be reported with the financial data of the parish's primary government. As a result, the primary government financial statements do not purport to, and do not, present fairly the financial position of the reporting entity of Winn Parish as of December 31, 2005, and the changes in its financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information for the primary government of the Winn Parish Police Jury as of December 31, 2005, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 2, 2006 on our consideration of the Winn Parish Police Jury internal control over financial reporting and our test of its compliance with certain provisions of laws, regulations, contracts, and grants. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance

and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Management's discussion and analysis on pages 3 to 8 is not a required part of the basic financial statements but is supplementary information required by the Governmental Account Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Winn Parish Police Jury's basic financial statements of the primary government. The budgetary comparison schedules, which is supplemental information required by the Governmental Accounting Standards Board, and the other supplemental information schedules listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the primary government financial statements. The Supplemental Schedule of Expenditures of Federal Awards, is presented for purposes of additional analysis as required by U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*, and also is not a required part of the primary government financial statements of the Winn Parish Police Jury. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements of the primary government, and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements of the primary government taken as a whole.



White & Bates
Winnfield, Louisiana
June 2, 2006

Winn Parish Police Jury
Winnfield, Louisiana

Management's Discussion and Analysis (MD&A)
December 31, 2005

Our discussion and analysis of the Winn Parish Police Jury's financial performance provides an overview of the Jury's financial activities for the years ended on December 31, 2005 and 2004. The Management's Discussion and Analysis (MD&A) is an element of the new reporting model adopted by the Governmental Accounting Standards Board (GASB) in their statement No. 34 Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments issued June 1999. Certain comparative information between the current year and the prior year is required to be presented in the MD&A. Readers are encouraged to consider the information presented here in conjunction with additional information furnished in the Jury's financial statements, which follow this section.

Financial Highlights

- The assets of the Winn Parish Police Jury exceeded its liabilities at the close of the most recent fiscal year by \$4,552,974 (net assets), an increase over 2004 of \$446,965.
- The Jury had more revenues in 2005 than expenses and while this is a very positive occurrence, total revenues for 2005 decreased compared to 2004 revenues and our 2005 expenses increased when compared to 2004.
- The Jury has capital assets of \$586,820 (net of accumulated depreciation) and had no debt related to capital assets.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Jury's basic financial statements. The Jury's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) financial statements of individual funds, and 3) notes to the financial statements.

Government-wide Financial Statements – The government-wide financial statements are designed to provide readers with a broad overview of the Jury's finances, in a manner similar to a private-sector business.

The Statement of Net Assets presents information on all of the Jury's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Jury is improving or deteriorating.

The Statement of Activities presents information showing how the Jury's net assets changed during the year. All changes in net assets are reported when the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in the future fiscal periods.

Winn Parish Police Jury
Winnfield, Louisiana

Management's Discussion and Analysis (MD&A)
December 31, 2005

The government-wide financial statements distinguish functions of the Jury that are principally supported by taxes and intergovernmental revenues (governmental activities). The governmental activities of the Jury include general government-legislative, judicial, financing and administrative, and other general government such as elections, public safety, public works-road, courthouse and garbage, health and welfare, culture and recreation, and economic development. The government-wide financial statements can be found on pages 10-11 of this report.

Fund Financial Statements – A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Jury, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Jury are governmental.

Governmental Funds – Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on current sources and uses of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of government's near-term financing decisions. Both the governmental funds balance sheet and the governmental statements of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Jury maintains eight governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General, Road, Health Unit, Library, and Sales tax funds, all of which are considered to be major funds. Also shown, as other governmental funds combined, are the non-major funds. These include the Criminal Court and Section 8 Housing voucher program. The basic governmental funds financial statements can be found on pages 12 and 14.

Notes to the Financial Statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 18 through 32.

Winn Parish Police Jury
Winnfield, Louisiana

Management's Discussion and Analysis (MD&A)
December 31, 2005

The Jury as a Whole

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the Winn Parish Police Jury, assets exceeded liabilities by \$4,552,974 as of December 31, 2005.

The smallest portion of the Jury's net assets (13%) reflects its investments in capital assets. The Jury uses these capital assets to provide service to citizens; consequently, these assets are not available for future spending. The following table provides a summary of the Jury's net assets for its Governmental Activities:

Winn Parish Police Jury's Net Assets
As of December 31, 2005 and 2004

	<u>2005</u>	<u>2004</u>
Current and Other Assets	\$ 4,329,351	\$ 3,840,391
Capital Assets	586,820	632,774
Total Assets	<u>4,916,171</u>	<u>4,473,165</u>
Long term Liabilities	45,240	51,240
Other Liabilities	317,957	315,916
Total Liabilities	<u>363,197</u>	<u>367,156</u>
Net Assets:		
Invested in Capital Assets, net of related debt	586,820	632,774
Unrestricted	3,966,154	3,473,235
Total Net Assets	<u>\$ 4,552,974</u>	<u>\$ 4,106,009</u>

The increase in net assets of the Winn Parish Police Jury during the year ended December 31, 2005 is smaller than the 2004 increase.

Winn Parish Police Jury
Winnfield, Louisiana

Management's Discussion and Analysis (MD&A)
December 31, 2005

The following table provides a summary of the Jury's operations for its governmental activities for the years ended December 31, 2005 and 2004.

Winn Parish Police Jury's Change in Net Assets
For the Years Ended December 31, 2005 and 2004

Revenues:	2005	2004
Program Revenues:		
Fines, Fees, and Charges for Services	\$ 162,619	\$ 197,941
Operating Grants and Contributions	939,417	1,000,423
Capital Grants and Contributions	112,815	70,590
General Revenues:		
Ad Valorem Taxes	972,657	975,449
Sales Tax	1,049,005	1,040,834
Other Taxes	1,651	2,974
State Revenue Sharing	100,900	103,147
Grants & Contributions	883,033	939,754
Licenses & Permits	75,711	74,746
Interest Earnings	26,946	22,899
Other	9,694	16,321
Total Revenues	4,334,448	4,445,078
Expenses:		
General Government		
Legislative	124,466	120,269
Judicial	752,329	736,384
Financial & Administrative	251,669	205,209
Other	51,006	39,231
Public Safety	280,377	254,178
Public Works:		
Roads	750,103	863,451
Courthouse	278,009	209,520
Garbage	504,331	513,467
Health & Welfare	458,199	523,337
Culture & Recreation	422,491	367,957
Economic Development	14,503	11,379
Total Expenses	3,887,483	3,844,382
Increase in Net Assets	446,965	600,696
Net Assets, Beginning of Year	4,106,009	3,505,313
Net Assets, End of Year	\$ 4,552,974	\$ 4,106,009

General revenues provide almost 72% of the Jury revenues and, accordingly, the existing activities of the Jury are dependent on general revenues for funding, since program revenues reflected above do not cover expenses of the various governmental activities.

Winn Parish Police Jury
Winnfield, Louisiana

Management's Discussion and Analysis (MD&A)
December 31, 2005

Financial Analysis of the Jury's Funds

Governmental Funds – At the end of the current fiscal year, the Winn Parish Police Jury's governmental funds reported combined ending fund balances of \$4,009,050. All of these balances are considered unreserved and no fund had a deficit. The excess of revenues and other financing sources over expenditures for 2005 was \$485,501, a decrease of \$123,205 from 2004, due to a combination of revenues decreasing and expenditures increasing.

General Fund Budgetary Highlights – During the year, the Jury made revisions to the original appropriations approved by the Jury members. These revisions were made to reflect changes in original anticipated revenues and expenses in the various funds, and to account for the receipt of various state and federal grants, which were awarded and funded during the year.

Capital Assets - The Winn Parish Police Jury's investment in capital assets for its governmental activities as of December 31, 2005, amounts to \$586,820 (net of accumulated depreciation). This investment in capital assets had no significant additions during the year. The Winn Parish Police Jury has elected to not capitalize infrastructure related to roads and bridges prior to January 1, 2004 and for 2005 and 2004, had no capitalized infrastructure.

Capital Assets at Year-end
Net of Accumulated Depreciation
As of December 31, 2005 and 2004

	2005	2004
Land	\$ 78,675	\$ 78,675
Buildings and Improvements	140,470	149,067
Equipment	174,941	189,302
Vehicles and Trucks	41,110	56,618
Furniture and Fixtures	1,462	1,916
Books	150,162	157,196
Total	<u>\$ 586,820</u>	<u>\$ 632,774</u>

Debt Administration

At the end of the current fiscal year, the Winn Parish Police Jury had notes payable of \$45,240. All of this debt relates to the Section 8 Housing Voucher Program. This note is being paid back at \$500 per month.

Economic Factors and Next Year's Budgets and Rates

The governmental fund revenues are not expected to increase significantly in the coming year and no significant changes are anticipated with budgeted expenditures. The Jury does anticipate more available funds in its general fund due to reductions in judicial expenditures. The biggest unknown with the budget for 2006 and future years is the uncertainty of continuing governmental revenue sources, as the Jury depends on significant amounts of Federal and State revenues to fund its activities and programs.

Winn Parish Police Jury
Winnfield, Louisiana

Management's Discussion and Analysis (MD&A)
December 31, 2005

Contacting the Jury's Financial Management

The financial report is designed to provide our citizens, customers, investors and creditors with a general overview of the Jury's finances. If you have questions about this report or need any additional information, contact the Jury, at Winn Parish Courthouse, Winnfield, Louisiana, 71483, or call (318) 628-5824.

BASIC FINANCIAL STATEMENTS

Winn Parish Police Jury
Winnfield, Louisiana

Governmental Activities
Statement of Net Assets
December 31, 2005

Assets	
Cash and Cash Equivalents	\$ 2,342,436
Receivables	1,977,772
Prepaid Insurance	9,143
Capital Assets:	
Non-Depreciable	78,675
Depreciable (Net)	508,145
Total Assets	<u>4,916,171</u>
Liabilities	
Accounts Payable	244,548
Payroll Related Liabilities	38,326
Deferred Revenues	35,083
Section 8 Housing Debt	45,240
Total Liabilities	<u>363,197</u>
Net Assets	
Investment in Capital Assets (Net of Debt)	586,820
Restricted	-
Unrestricted	3,966,154
Total Net Assets	<u>\$ 4,552,974</u>

The accompanying notes are an integral part of the basic financial statements.

Winn Parish Police Jury
Winnfield, Louisiana

Governmental Activities
Statement of Activities
For the Year Ended December 31, 2005

	Expenses	Program Revenues			Net (Expense)
		Fines, Fees Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Revenue & Changes in Net Assets
Governmental Activities:					
General Government:					
Legislative	\$ 124,466	\$	\$	\$	\$ (124,466)
Judicial	752,329	148,179			(604,150)
Financial & Administrative	251,669	3,989			(247,680)
Other	51,006	2,400			(48,606)
Public Safety	280,377		43,929	100,589	(135,859)
Public Works:					
Roads	750,103		522,615		(227,488)
Courthouse	278,009				(278,009)
Garbage	504,331				(504,331)
Health & Welfare	458,199		327,179		(131,020)
Culture & Recreation	422,491	8,051	45,694	12,226	(356,520)
Economic Development	14,503				(14,503)
Total Governmental Activities	<u>\$ 3,887,483</u>	<u>\$ 162,619</u>	<u>\$ 939,417</u>	<u>\$ 112,815</u>	<u>(2,672,632)</u>
General Revenues:					
Taxes:					
Ad Valorem					972,657
Sales					1,049,005
Other					1,651
Revenue Sharing					100,900
Grants & Contributions Not Restricted to Specific Programs					883,033
Licenses & Permits					75,711
Interest Earnings					26,946
Other					9,694
Total General Revenues					<u>3,119,597</u>
Change in Net Assets					446,965
Net Assets at Beginning of Year					<u>4,106,009</u>
Net Assets at End of Year					<u>\$ 4,552,974</u>

The accompanying notes are an integral part of the basic financial statements.

Winn Parish Police Jury
Winnfield, Louisiana

Governmental Funds
Balance Sheet
December 31, 2005

	General	Road	Health Unit	Library	Sales Tax	Other Governmental Funds	Total Governmental Funds
Assets							
Cash and Cash Equivalents	\$ 236,131	\$ 156,964	\$ 886,491	\$ 636,311	\$ 392,392	\$ 34,147	\$ 2,342,436
Receivables	474,791	591,797	170,470	421,704	307,290	9,376	1,975,428
Prepaid Insurance	4,570	3,862	-	353	358	-	9,143
Total Assets	\$ 715,492	\$ 752,623	\$ 1,056,961	\$ 1,058,368	\$ 700,040	\$ 43,523	\$ 4,327,007
Liabilities							
Accounts Payable	\$ 29,246	\$ 25,484	\$ 3,030	\$ 6,860	\$ 179,466	\$ 462	\$ 244,548
Payroll Related Liabilities	10,011	12,029	-	13,415	2,046	825	38,326
Deferred Revenues	-	-	-	-	-	35,083	35,083
Total Liabilities	39,257	37,513	3,030	20,275	181,512	36,370	317,957
Fund Balances Reserved							
Unreserved	-	-	-	-	-	-	-
Total Liabilities & Fund Balances	676,235	715,110	1,053,931	1,038,093	518,528	7,153	4,009,050
	\$ 715,492	\$ 752,623	\$ 1,056,961	\$ 1,058,368	\$ 700,040	\$ 43,523	\$ 4,327,007

The accompanying notes are an integral part of the basic financial statements.

Winn Parish Police Jury
Winnfield, Louisiana

Reconciliation of Governmental Funds Balance Sheet to
Statement of Net Assets
December 31, 2005

Total Fund Balance - Governmental Funds			\$ 4,009,050
Amounts reported for Governmental Activities in the Statement of Net Assets are different because:			
Long term liabilities are not due and payable in current period and therefore are not reported on Governmental Funds Balance Sheet			(45,240)
Capital Assets used in Governmental Activities are not financial resources and therefore are not reported on Governmental Funds Balance Sheet			
Non-Depreciable	\$	78,675	
Depreciable		3,008,913	
Accumulated Depreciation		<u>(2,500,768)</u>	586,820
Interest earned but not available as resource in Governmental Funds			<u>2,344</u>
Net Assets of Governmental Activities			<u>\$ 4,552,974</u>

The accompanying notes are an integral part of the basic financial statements.

Winn Parish Police Jury
Winnfield, Louisiana

Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended December 31, 2005

	General	Road	Health Unit	Library	Sales Tax	Other Governmental Funds	Total Governmental Funds
Revenues:							
Taxes:							
Ad Valorem	\$ 197,519	\$ 204,746	\$ 162,159	\$ 408,232	\$ -	-	\$ 972,656
Sales	-	-	-	-	1,049,005	-	1,049,005
Other	329	360	270	692	-	-	1,651
Licenses & Permits	79,700	-	-	-	-	-	79,700
Intergovernmental Revenues:							
Federal Funds	122,501	353,824	-	-	-	267,870	744,195
State Funds:							
Severance Tax	838,440	-	-	-	-	-	838,440
State Revenue Sharing	22,182	16,944	18,209	43,565	-	-	100,900
Parish Transportation	-	168,791	-	-	-	-	168,791
Other	163,420	-	-	12,226	-	-	175,646
Local Funds	-	-	-	7,396	-	-	7,396
Fees, Charges, Commissions for Services	7,815	-	-	8,051	-	-	15,866
Fines & Forfeitures	-	-	-	-	-	140,363	140,363
Use of Money	13,446	2,930	8,945	-	-	206	25,527
Other	11,639	-	-	798	-	-	12,437
Total Revenues	1,456,991	747,595	189,583	480,960	1,049,005	408,439	4,332,573

Expenditures:

Current:

General Government:

Legislative	124,466	-	-	-	-	-	124,466
Judicial	611,799	-	-	-	-	140,102	751,901
Elections	43,031	-	-	-	-	-	43,031
Financial & Administration	198,247	-	-	-	52,522	-	250,769
Other	7,474	-	-	-	-	-	7,474
Public Safety	278,187	-	-	-	-	-	278,187

The accompanying notes are an integral part of the basic financial statements.

Winn Parish Police Jury
Winnfield, Louisiana

Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)
For the Year Ended December 31, 2005

	General	Road	Health Unit	Library	Sales Tax	Other Governmental Funds	Total Governmental Funds
Expenditures (continued):							
Current:							
Public Works:							
Road	-	711,544	-	-	-	-	711,544
Courthouse	-	-	-	-	272,955	-	272,955
Garbage	-	-	-	-	504,331	-	504,331
Health & Welfare	85,122	-	112,866	-	-	268,076	466,064
Culture & Recreation	49,786	-	-	372,732	-	-	422,518
Economic Development	14,287	-	-	-	-	-	14,287
Capital Outlay	-	-	-	-	-	-	-
Total Expenditures	1,412,399	711,544	112,866	372,732	829,808	408,178	3,847,527
Excess (Deficiency) of Revenues over Expenditures	44,592	36,051	76,717	108,228	219,197	261	485,046
Other Financing Sources							
Proceeds from Sale of Property	-	-	-	455	-	-	455
Operating Transfers In	-	14,000	-	-	-	-	14,000
Operating Transfers Out	(14,000)	-	-	-	-	-	(14,000)
Total Other Operating Sources (Uses)	(14,000)	14,000	-	455	-	-	455
Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	30,592	50,051	76,717	108,683	219,197	261	485,501
Fund Balances - Beginning	645,643	665,059	977,214	929,410	299,331	6,892	3,523,549
Fund Balances - Ending	\$ 676,235	\$ 715,110	\$ 1,053,931	\$ 1,038,093	\$ 518,528	\$ 7,153	\$ 4,009,050

The accompanying notes are an integral part of the basic financial statements.

Winn Parish Police Jury
Winnfield, Louisiana

Reconciliation of Statement of Revenues, Expenditures and Changes in
Fund Balances to the Statement of Activities
For the Year Ended December 31, 2005

Net Change in Fund Balances - Total Governmental Funds	\$ 485,501
Amounts reported for Governmental Activities in the Statement of Activities are different because:	
Governmental Funds report Capital Outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as Depreciation Expense. This is the amount which Depreciation (\$121,756) exceeded Capital Outlays (\$75,802) in the current period.	(45,954)
Long-term Liabilities are not due and payable in the current period and therefore are not reported in the funds. This is the amount by which repayments exceed additional debt.	6,000
Increase in interest earned but not available as resource in Governmental Funds.	<u>1,418</u>
Change in Net Assets of Governmental Activities	<u>\$ 446,965</u>

The accompanying notes are an integral part of the basic financial statements.

NOTES TO BASIC FINANCIAL STATEMENTS

Winn Parish Police Jury
Winnfield, Louisiana
Notes to Primary Government Financial Statements
December 31, 2005

INTRODUCTION

The Winn Parish Police Jury is the governing authority for Winn Parish, and is a political subdivision of the State of Louisiana. Seven members govern the police jury, each of who represent a district of Winn Parish. The jurors serve four-year terms, which began in January 2004.

Louisiana Revised Statutes 33:1236 gives the police jury various powers in regulating and directing the affairs of the parish and its inhabitants. The more notable of those are the powers to make regulations for their own government, to regulate the construction and maintenance of roads and bridges, to regulate the construction and maintenance of drainage systems, to regulate the sale of alcoholic beverages, and to provide for the health and welfare of the poor, disadvantaged, and unemployed in the parish. Ad valorem taxes, sales taxes, beer and alcoholic beverage permits, state revenue sharing, and various other state and federal grants provide funding to accomplish these tasks.

In accomplishing its objectives, the police jury also has the authority to create special districts within the parish. The districts perform functions, such as fire protection, water distribution, sewerage collection and disposal, drainage control, library facilities, and health care facilities.

1. Summary of Significant Accounting Policies

A. Reporting Entity

As the governing authority of the Parish, for reporting purposes, the Winn Parish Police Jury is the financial reporting entity for Winn Parish. The financial reporting entity consists of (a) the primary government (police jury), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board (GASB) Statement No. 14 established criteria for determining which component units should be considered part of the Winn Parish Police Jury for financial reporting purposes. The basic criteria for including a potential component unit within the reporting entity, is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body and
 - a. The ability of the police jury to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury.

(Continued)

Winn Parish Police Jury
Winnfield, Louisiana
Notes to Primary Government Financial Statements
December 31, 2005

2. Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Based on the previous criteria, the police jury has determined that the following are the significant component units that are part of the reporting entity:

<u>Component Unit</u>	<u>Fiscal Year End</u>	<u>Criteria Used</u>
Winn Parish Fire Protection District #3	12-31	1 and 3
Winn Parish Assessor	12-31	2 and 3
Winn Parish Clerk of Court	6-30	2 and 3
Eighth Judicial District		
Court Expense Fund	12-31	2 and 3
Eighth Judicial District		
Indigent Defender Board	12-31	2 and 3
Winn Parish District Attorney	12-31	2 and 3
Winn Parish Communications District	12-31	1 and 3
Winn Parish Sheriff	6-30	2 and 3
Joyce Sewage District	12-31	1 and 3

The Police Jury has chosen to issue financial statements of the primary government (police jury), which excludes the above listed component units.

These primary government (police jury) financial statements include all funds, account groups, and organizations for which the police jury maintains the accounting records, and include the Parish Library, Eighth Judicial District Criminal Court, and Section 8 Housing Program.

GASB Statement 14 provides for the issuance of primary government financial statements that are separate from those of the reporting entity. However, the primary government's (police jury) financial statements are not a substitute for the reporting entity's financial statements. The accompanying primary government financial statements have been prepared in conformity with U.S. generally accepted accounting principles as applied to governmental units.

These financial statements are not intended to and do not report on the reporting entity but rather are intended to reflect only the financial statements of the primary government (police jury).

(Continued)

Winn Parish Police Jury
Winnfield, Louisiana
Notes to Primary Government Financial Statements
December 31, 2005

B. Basis of Presentation

The accompanying basic financial statements of the Winn Parish Police Jury have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, "Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments", issued in June 1999. As a result, an entirely new financial presentation format has been implemented.

Government-wide Financial Statements (GWFS)

The Statement of Net Assets and Statement of Activities display information about the reporting government as a whole. They include all funds of the Winn Parish Police Jury, which are considered to be governmental activities.

The Statement of Activities presents a comparison between direct expenses and program revenues for each of the functions of the Police Jury's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of services offered by the Police Jury, and (b) grants and contributions that are restricted to meeting the operational or capital requirement of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements (FFS)

The accounts of the Winn Parish Police Jury are organized on the basis of funds, each of which is considered a separate accounting entity. The various funds are reported by generic fund type in the financial statements. Each fund operates with a group of self-balancing accounts that comprises its assets, liabilities, fund equity, revenues, and expenditures. Revenues are accounted for in the individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The following fund categories and fund types are used by the Police Jury:

Governmental Funds - Major

General Fund (Salary) - The General Fund is the principal fund of the Police Jury and is used to account for the operations of the General office. The Police Jury's primary source of revenue is ad valorem taxes, severance taxes and Federal/State grants and appropriations. General operating expenditures are paid from this fund, as well as general support for various Winn Parish and state operated governmental bodies.

(Continued)

Winn Parish Police Jury
Winnfield, Louisiana
Notes to Primary Government Financial Statements
December 31, 2005

Special Revenue Funds - Special Revenue Funds are used to account for the specific sources of revenues that are required to be expended for certain purposes. The Winn Parish Police Jury has a Road Fund, Health Unit Fund, Library Fund, and Sales Tax Fund that are classified as major funds and such funds obtain revenue primarily from ad valorem taxes, sales taxes, and federal & state grants and appropriations.

Governmental Funds – Non-Major

Special Revenue Funds – The Section 8 Housing Voucher Program and the Criminal Court Fund are non-major special revenue funds, which receive their funding from a federal grant program and fines levied by the courts, respectively.

C. Measurement Focus and Basis of Accounting

The amounts reflected in the governmental fund financial statements are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment to a government-wide view of Jury operations. The Police Jury uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

The amounts reflected in the governmental fund financial statements use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual, i.e., when they become both measurable and available. Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. As a general guideline, the Jury considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred.

The government-wide financial statements are accounted for using an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets and financial position. All assets and liabilities (whether current or non-current) associated with their activities are reported.

(Continued)

Winn Parish Police Jury
Winnfield, Louisiana
Notes to Primary Government Financial Statements
December 31, 2005

D. Assets, Liabilities, and Equity

Cash and Cash Equivalents

Cash and cash equivalents include amounts in demand deposits, interest-bearing demand deposits, and time deposits, which mature in 180 days or less. Under state law, the Jury may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under LA law and national banks having their principal offices in Louisiana.

Receivables and Payables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Payables consist of all expenditures due at year-end and not yet paid.

In the fund financial statements, material receivables in governmental funds include revenue accruals for ad valorem taxes, severance taxes, sales taxes, and federal grants since they are usually both measurable and available. Interest and investment earnings are recorded when earned only if paid within 60 days since they would be considered both measurable and available. At the same time, payables in governmental funds include expenditure accruals for goods and services received by year-end, but not yet paid for.

During the course of operations, numerous transactions occur between individual funds to account for the disposition of collections. Any resulting receivables and payables are classified in due from other funds and due to other funds on the balance sheet.

Capital Assets

Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Jury maintains a threshold level of \$1,500 or more for capitalizing individual items.

Capital assets are recorded in the Statement of Net Assets but are not reported in the fund financial statements. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Buildings and improvements	20-40
Office, equipment, and furniture	5-12
Vehicles & Trucks	5-10
Library Books	5

(Continued)

Winn Parish Police Jury
Winnfield, Louisiana
Notes to Primary Government Financial Statements
December 31, 2005

The Police Jury has elected not to retroactively report infrastructure roads & bridges prior to January 1, 2004.

Compensated Absences

Police Jury - Employees may earn from ten to fifteen days of annual leave and twelve days of sick leave per year depending on length of service. Vacation leave does not accumulate. Sick leave may be accumulated to a maximum of twenty-four days; however, accumulated sick leave is forfeited upon termination of employment.

Registrar of Voters - The registrar of voters and the chief deputy of Winn Parish are employees of the State of Louisiana, Department of Elections and Registration, and are paid in part by the police jury. Employees accrue and accumulate annual and sick leave in accordance with state law and administrative regulations. The leave is accumulated without limitation; however, upon separation of employment, classified personnel or their heirs are compensated for accumulated annual leave not to exceed 300 hours.

Library - Employees earn from twelve to twenty-one days of vacation leave each year depending on length of service and professional training. Vacation leave accumulates with up to ten days being carried forward at the end of the calendar year. Employees shall be paid for any accumulated annual leave upon dismissal or resignation. Employees earn twelve days of sick leave each year which may be accumulated to a maximum of thirty days. Sick leave is forfeited upon termination of employment.

Criminal Court - Employees of the Eighth Judicial District Criminal Court may earn from ten to twenty days of vacation leave and forty-five days of sick leave each year depending on length of service. Vacation and sick leave does not accumulate, and employees are not paid for unused leave upon termination of employment.

The cost of current leave privileges, if any, as provided by the aforementioned policies, computed in accordance with GASB Codification Section C60, is recognized as a current year expenditure in the governmental funds when leave is actually taken.

Equity Classifications

In the government-wide statements, equity is classified as net assets and displayed in three components:

- a. Invested in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation.
- b. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

(Continued)

Winn Parish Police Jury
Winnfield, Louisiana
Notes to Primary Government Financial Statements
December 31, 2005

- c. Unrestricted net assets – All other net assets that do not meet the definition of “restricted” or “invested in capital assets.”

In the fund statements, governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved, with unreserved further split between designated and undesignated.

E. Revenues, Expenditures, and Expenses

Government-wide Financial Statements

Program revenues included in the Statement of Activities are derived directly from the program itself or from other parties. Program revenues reduce the cost of the function to be financed from general revenues.

General revenues are all other revenues not directly related to a program or activity and include the following:

Ad valorem taxes and the related state revenue sharing (which is based on population and homesteads in the parish) are recorded in the year the taxes are due and payable. Ad valorem taxes are assessed on a calendar year basis, become due November 15 of each year, and become delinquent on December 31. The taxes are generally collected in December, January, and February of the fiscal year.

Sales and use taxes are recognized in the month the taxes are paid to vendors, and are subsequently received by the police jury’s collection agents, the Winn Parish School Board Sales and Use Tax Office and the Louisiana Department of Public Safety and Corrections-Office of Motor Vehicles.

Interest Income and other miscellaneous revenue sources.

Expenses are classified by the direct activities to which they are related, including depreciation, which is allocated to the activities and programs of the Police Jury.

Fund Financial Statements

Revenues are reflected in the fund financial statements by type of the major revenue sources.

Expenditures are reflected in the fund financial statements by the nature of the expenditure.

Other Financing Sources - Proceeds from the sale of fixed assets are accounted for as other financing sources and is recognized when received.

Grant revenues are recognized when the Jury is entitled to the funds.

(Continued)

Winn Parish Police Jury
Winnfield, Louisiana
Notes to Primary Government Financial Statements
December 31, 2005

Other Financing Sources (Uses)

Transfers between funds, which are not expected to be repaid, and increases in long-term debt are accounted for as other financing sources (uses) and are recognized when the underlying events occur.

Deferred Revenues

Deferred revenues arise when resources are received by the police jury before it has legal claim to the revenue, as when grant funds are received before the qualifying expenditures are incurred. In subsequent periods, when the police jury establishes legal claim to the funds the liability for deferred revenue is removed from the balance sheet and the revenue is recognized.

F. Budgets and Budgetary Accounting

Preliminary cash basis budgets for the ensuing year are prepared by the treasurer beginning in October. The finance committee reviews the proposed budgets and makes changes as it deems appropriate. The availability of the proposed budgets for public inspection and the date of the public hearing on the budgets are then advertised in the official journal. During its regular December meeting, the jury holds a public hearing on the proposed budgets in order to receive comments from citizens. Changes are made to the proposed budgets based on the public hearing and the desires of the police jury as a whole. The budgets are then adopted during the regular December meeting, and notice is published in the official journal.

During the year, the police jury receives monthly budget comparison statements which are used as a tool to control the operations of the parish. The treasurer presents necessary budget amendments to the jury when she determines that actual operations are differing materially from those anticipated in the original budget. The jury in regular session reviews the proposed amendments, makes necessary changes, and formally adopts the amendments. The adoption of amendments is included in jury minutes published in the official journal.

The police jury exercises budgetary control at the functional level. Within the functional levels, the treasurer has the authority to make amendments as necessary. The police jury does not utilize encumbrance accounting in its budget practices. Unexpended appropriations lapse at year end and must be re-appropriated in the next year's budget to be expended.

The police jury adopted and amended budgets for its general fund and all its special revenue funds, which is in accordance with Louisiana Revised Statutes related to budgeting.

(Continued)

Winn Parish Police Jury
Winnfield, Louisiana
Notes to Primary Government Financial Statements
December 31, 2005

Budget comparison statements included in the accompanying primary government financial statements include the original adopted budgets and all subsequent amendments prepared on the cash basis (Non-GAAP). The following reconciles the excess of revenues and other sources over expenditures and other uses as shown on budgetary comparison schedules to the same amounts shown on the major governmental fund financial statements:

	<u>General Fund</u>	<u>Major Special Revenue Funds</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses (cash basis)	\$ 53,479	\$ 364,603
Adjustments:		
Revenues/Receivables (net)	(32,450)	84,408
Expenditures/Payables(net)	<u>9,563</u>	<u>5,637</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses (GAAP basis)	<u>\$ 30,592</u>	<u>\$ 454,648</u>

G. Encumbrances

Encumbrance accounting, under which purchase orders are recorded in order to reserve that portion of the applicable appropriation, is not employed for other commitments of the police jury. However, outstanding purchase orders are taken into consideration before expenditures are incurred in order to assure that applicable appropriations are not exceeded.

H. Inventories

Inventories, consisting of office supplies and road maintenance materials are considered expenditures when purchased; therefore, physical inventories are not taken. Inventories on hand at December 31, 2005 are considered immaterial; therefore, they have not been included in the financial statements.

I. Inter-fund Transactions

Quasi-external transactions are accounted for as revenues or expenditures. Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed.

All other inter-und transactions, except quasi-external transactions and reimbursements, are reported as transfers. All other inter-fund transfers are reported as operating transfers.

(Continued)

Winn Parish Police Jury
Winnfield, Louisiana
Notes to Primary Government Financial Statements
December 31, 2005

J. Sales Taxes

Voters of Winn Parish approved a one percent sales and use tax for a period of ten years beginning March 1, 2004. The net proceeds, which are collected by the Winn Parish School Board, were allocated in the proposition 60% to the Winn Parish Police Jury and 40% to the City of Winnfield. The financial statements reflect the Police Jury portion of the Sales Tax, which was dedicated to the solid waste collection and disposal, then to the Parish Courthouse.

2. Cash and Cash Equivalents

At December 31, 2005, the police jury had cash and cash equivalents (book balances, net of overdrafts) as follows:

Petty Cash	\$ 300
Interest-bearing demand deposits	1,611,059
Non-Interest-bearing demand deposits	131
Time and certificates of deposit	<u>730,946</u>
Total	<u>\$ 2,342,436</u>

Under state law, these deposits, or the resulting bank balances, must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

(Continued)

Winn Parish Police Jury
Winnfield, Louisiana
Notes to Primary Government Financial Statements
December 31, 2005

At December 31, 2005, the police jury has \$2,457,603 in deposits (collected bank balances). These deposits are secured from risk by \$200,931 of federal deposit insurance (GASB Category 1), and \$2,929,268 of securities held in trust for the fiscal agent bank in the name of the fiscal agent bank, but not in the name of the police jury (GASB Category 3). Because the pledged securities are held in a trust department for the fiscal agent bank in the name of the fiscal agent bank rather than in the name of the police jury, they are considered uncollateralized under the provisions of GASB Codification 150.163(b); however, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the police jury that the fiscal agent has failed to pay deposited funds upon demand.

At December 31, 2005, all of collected bank balances were secured by either FDIC insurance or securities owned by the fiscal agent bank.

3. Deficits In Individual Funds

At December 31, 2005, no fund had a deficit in its fund balance.

4. Levied Taxes

The following is a summary of authorized and levied ad valorem taxes for the year:

	<u>Authorized Millage</u>	<u>Levied Millage</u>	<u>Expiration Date</u>
Parish wide taxes - Maintenance:			
Parish	3.73	3.91	Indefinite
Health Unit	3.07	3.21	2005
Library #1	5.00	5.00	2009
Library #2	3.00	3.08	2009
District taxes - Road Maintenance:			
No. 1	5.00	5.00	2009
No. 2	2.00	2.00	2009

The difference between authorized and levied millages is the result of reassessments for taxable property in the parish as required by Article 7, Section 18 of the Louisiana Constitution of 1974. The expired millages in 2005 were renewed by election in November 2005.

(Continued)

Winn Parish Police Jury
Winnfield, Louisiana
Notes to Primary Government Financial Statements
December 31, 2005

The following are the principal taxpayers for the Parish and their 2005 assessed valuation:

<u>Taxpayer</u>	<u>Type of Business</u>	<u>2005 Assessed Valuation</u>	<u>Percentage of Total Assessed Valuation</u>
Weyerhaeuser	Timber	\$ 5,743,490	8.7 %
Entergy Louisiana, Inc.	Public Utilities	4,206,020	6.4 %
West Fraser (South), Inc.	Timber	3,010,170	4.6 %
Plum Creek	Timber	1,869,520	2.8 %
Bell South Telecommunications	Telecommunications	1,526,890	2.3 %
Bank of Winnfield & Trust Co.	Bank	1,521,400	2.3 %
PBS Lumber Manufacturing, LLC	Timber	1,050,600	1.6 %
Gulf South Pipeline	Pipeline	947,570	1.4 %
Louisiana Minerals LTD	Real Estate	<u>841,830</u>	<u>1.2 %</u>
	TOTAL	<u>\$20,717,490</u>	<u>31.3 %</u>

5. Receivables

The following is a summary of receivables in the Statement of Net Assets at December 31, 2005:

<u>Class of Receivable</u>	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Total</u>
Taxes:			
Ad Valorem	\$189,991	\$ 745,480	\$935,471
Sales and Use		307,289	307,289
Intergovernmental:			
Federal		355,624	355,624
State	281,377	82,076	363,453
Other	3,491	12,444	15,935
Totals	<u>\$474,859</u>	<u>\$1,502,913</u>	<u>\$1,977,772</u>

Substantially all receivables are considered to be fully collectible, and no allowance for uncollectibles is required.

(Continued)

Winn Parish Police Jury
Winnfield, Louisiana
Notes to Primary Government Financial Statements
December 31, 2005

6. Changes in Capital Assets

The following schedule presents changes in capital assets for the year ended December 31, 2005:

	Balance <u>1- 01- 05</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>12- 31 -05</u>
Non-Depreciable Capital				
Asset - Land	\$ 78,675	-		\$ 78,675
Depreciable Capital Assets				
Buildings	1,231,870	-	\$ (3,000)	1,228,870
Equipment	645,382	\$ 21,077		666,459
Vehicles & Trucks	283,199			283,199
Office Furniture	26,519			26,519
Library books	<u>761,612</u>	<u>54,725</u>	<u>(12,471)</u>	<u>803,866</u>
Totals	<u>3,027,257</u>	<u>75,802</u>	<u>(15,471)</u>	<u>3,087,588</u>
Accumulated Depreciation				
Buildings	1,082,803	8,597	(3,000)	1,088,400
Equipment	456,080	35,438		491,518
Vehicles & Trucks	226,581	15,509		242,090
Office Furniture	24,603	454		25,057
Library books	<u>604,416</u>	<u>61,758</u>	<u>(12,471)</u>	<u>653,703</u>
Totals	<u>2,394,483</u>	<u>121,756</u>	<u>(15,471)</u>	<u>2,500,768</u>
Capital Assets – Net	<u>\$ 632,774</u>			<u>\$ 586,820</u>

A substantial portion of the capital assets are recorded at estimated historical cost.

7. Pension Plans

Substantially all employees of the Winn Parish Police Jury are members of the Parochial Employee's Retirement System of Louisiana (System), a multiple-employer (cost-sharing), public employee retirement system (PERS), controlled and administered by a separate board of trustees. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. Employees of the police jury are members of Plan A.

All permanent employees working at least 28 hours per week who are paid wholly or in part from funds and all elected parish officials are eligible to participate in the System. Under Plan A, beginning January 1, 2002, employees who retire at or after age 65 with at least 7 years of credited service, at or after age 55 with at least 25 years of credited service, or at any age with at least 30 years of credited service are entitled to a retirement benefit, payable monthly for life, equal to 3 percent of their final

(Continued)

Winn Parish Police Jury
Winnfield, Louisiana
Notes to Primary Government Financial Statements
December 31, 2005

compensation multiplied by the employee's years of credited service. However, for those employees who were members of the supplemental plan only prior to January 1, 1980, the benefit is equal to one percent of final compensation plus \$24 for each year of supplemental-plan-only service earned prior to January 1, 1980. Final compensation is the employee's monthly earnings over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above and do not withdraw their employee contributions may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Parochial Employees' Retirement System, P. O. Box 14619, Baton Rouge, LA 70898-4619, or by calling (225) 928-1361.

Funding Policy. Under Plan A, members are required by state statute to contribute 9.5 percent of their annual covered salary and the Winn Parish Police Jury is required to contribute at an actuarially determined rate. The current rate is 11.75 percent of annual covered payroll. Contributions to the System also include one-fourth of one percent (except Orleans and East Baton Rouge Parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the Winn Parish Police Jury are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Winn Parish Police Jury's contributions to the System under Plan A for the years ending December 31, 2005, 2004 and 2003, were \$57,698, \$60,550, and \$40,962, respectively, and are equal to the required contributions for each year.

8. Section 8 Housing Debt

During 2001, the Winn Parish Police Jury Section 8 Housing Program agreed to payback \$69,240 in excess requisitioned funds to HUD as a result of program reviews for the years ending December 31, 1999 and 2000. The debt repayment was started in 2002 at \$500.00 per month and is being withheld from monthly remittances to the Section 8 Housing Program. At December 31, 2005, the outstanding balance is \$45,240.

9. Long-Term Debt

The following is a summary of changes in long-term debt for the year ended December 31, 2005:

	Balance <u>1-1-05</u>	<u>Additions</u>	Balance <u>Reduction</u>	Balance <u>12-31-05</u>
Section 8 Housing Debt	\$ <u>51,240</u>	<u>-</u>	\$(<u>6,000</u>)	\$ <u>45,240</u>

(Continued)

Winn Parish Police Jury
Winnfield, Louisiana
Notes to Primary Government Financial Statements
December 31, 2005

10. Industrial Revenue Bonds

The parish has issued revenue bonds to provide revenue for constructing, acquiring and installing certain industrial facilities. The funding to pay the bonds is provided solely from sales, leases, or other revenues of the various facilities. The bonds do not constitute an indebtedness or pledge of the general credit of the police jury and are not included in the accompanying financial statements.

11. Pending Litigation, Judgments

At December 31, 2005, various lawsuits are presently pending against the Winn Parish Police Jury. In the opinion of the Winn Parish Police Jury, the potential for claims in excess of insurance coverage is remote or undeterminable. No provision for any liability that may result from settlement of these lawsuits has been made in the accompanying financial statements and the Jury insurance carrier is handling such matters.

12. Risk Management

The police jury is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The Winn Parish Police Jury carries commercial insurance for all the aforementioned risks of loss and settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

13. Contingent Liabilities

The Winn Parish District Attorney's office has significant accumulated obligations that remain unpaid at December 31, 2005. These obligations, which were accumulated under a District Attorney that is no longer in office, include amounts for payroll taxes, pension contributions and various vendor obligations. The Winn Parish Police Jury does not presently believe that it is liable for funding such obligations and, accordingly, no provision for such amounts have been provided for in these financial statements.

(Concluded)

REQUIRED SUPPLEMENTARY INFORMATION

Winn Parish Police Jury
Winnfield, Louisiana

Schedule 1

Budgetary Comparison Schedule
General Fund - Cash Basis
For the Year Ended December 31, 2005

	Budget		2005 Actual	Variance Actual with Budget Favorable (Unfavorable)
	Original	Final		
Revenues:				
Taxes:				
Ad Valorem	\$ 194,389	\$ 172,130	\$ 172,130	\$ 0
Licenses & Permits	78,790	79,263	79,473	210
Intergovernmental Revenues:				
Federal Funds	21,000	21,912	21,912	0
State Funds:				
Severance Tax	809,400	889,293	889,293	0
State Revenue Sharing	58,662	22,351	22,351	0
Other	137,830	264,612	265,127	515
Fees, Charges, Commissions for Services				
	5,800	6,223	7,095	872
Use of Money	8,500	10,981	13,901	2,920
Other	4,400	12,940	13,140	200
Total Revenues	1,318,771	1,479,705	1,484,422	4,717
Expenditures:				
Current:				
General Government:				
Legislative	128,893	126,245	124,611	1,634
Judicial	596,890	617,081	610,700	6,381
Elections	33,783	44,492	44,861	(369)
Financial & Administration	155,921	205,709	202,311	3,398
Other	6,800	7,554	7,554	0
Public Safety	142,250	277,107	277,203	(96)
Health & Welfare	89,168	84,448	85,150	(702)
Culture & Recreation	58,000	49,786	49,786	0
Economic Development	14,500	14,594	14,767	(173)
Total Expenditures	1,226,205	1,427,016	1,416,943	10,073
Excess (Deficiency) of Revenues over Expenditures	92,566	52,689	67,479	14,790
Other Financing Sources				
Proceeds from Sale of Property	-	-	-	-
Operating Transfers Out	(142,356)	(14,000)	(14,000)	-
Total Other Operating Sources (Uses)	(142,356)	(14,000)	(14,000)	-
Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	(49,790)	38,689	53,479	14,790
Fund Balances - Beginning	645,853	645,643	645,643	-
Fund Balances - Ending	\$ 596,063	\$ 684,332	\$ 699,122	\$ 14,790

Required supplementary information.

Winn Parish Police Jury
Winnfield, Louisiana

Schedule 2

Budgetary Comparison Schedule
Road Fund – Cash Basis
For the Year Ended December 31, 2005

	Budget		2005 Actual	Variance Actual with Budget Favorable (Unfavorable)
	Original	Final		
Revenues:				
Taxes:				
Ad Valorem	\$ 211,690	\$ 180,447	\$ 180,447	-
Other	233	301	301	-
Intergovernmental Revenues:				
Federal Funds	345,500	356,259	356,259	-
State Funds:				
State Revenue Sharing	17,372	16,999	16,999	-
Parish Transportation	160,000	165,232	165,232	-
Other	25,000	-	-	-
Use of Money	825	1,036	1,036	-
Other	100	-	-	-
Total Revenues	760,720	720,274	720,274	0
Expenditures:				
Current:				
Public Works:				
Road	903,076	709,655	707,314	2,341
Total Expenditures	903,076	709,655	707,314	2,341
Excess (Deficiency) of Revenues over Expenditures	(142,356)	10,619	12,960	2,341
Other Financing Sources				
Proceeds from Sale of Property	-	-	-	-
Operating Transfers In	142,356	14,000	14,000	-
Total Other Operating Sources (Uses)	142,356	14,000	14,000	-
Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	0	24,619	26,960	2,341
Fund Balances - Beginning	665,509	665,509	665,509	-
Fund Balances - Ending	\$ 665,509	\$ 690,128	\$ 692,469	\$ 2,341

Required supplementary information.

Winn Parish Police Jury
Winnfield, Louisiana

Budgetary Comparison Schedule
Health Unit Fund – Cash Basis
For the Year Ended December 31, 2005

	Budget		2005 Actual	Variance Actual with Budget Favorable (Unfavorable)
	Original	Final		
Revenues:				
Taxes:				
Ad Valorem	\$ 159,588	\$ 141,325	\$ 141,325	\$ -
Intergovernmental Revenues:				-
State Funds:				-
State Revenue Sharing	12,000	18,350	18,350	-
Use of Money	9,800	7,595	7,595	-
Total Revenues	<u>181,388</u>	<u>167,270</u>	<u>167,270</u>	<u>-</u>
Expenditures:				
Current:				
Health & Welfare	118,338	111,374	111,239	135
Total Expenditures	<u>118,338</u>	<u>111,374</u>	<u>111,239</u>	<u>135</u>
Excess (Deficiency) of Revenues over Expenditures	63,050	55,896	56,031	135
Fund Balances - Beginning	<u>977,214</u>	<u>977,214</u>	<u>977,214</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 1,040,264</u>	<u>\$ 1,033,110</u>	<u>\$ 1,033,245</u>	<u>\$ 135</u>

Required supplementary information.

Winn Parish Police Jury
Winnfield, Louisiana

Budgetary Comparison Schedule
Library Fund – Cash Basis
For the Year Ended December 31, 2005

	Budget		2005 Actual	Variance Actual with Budget Favorable (Unfavorable)
	Original	Final		
Revenues:				
Taxes:				
Ad Valorem	\$ 402,678	\$ 408,166	\$ 361,428	\$ (46,738)
Other	500	500	691	191
Intergovernmental Revenues:				
State Funds:				
State Revenue Sharing	45,000	45,420	44,359	(1,061)
Other	12,375	12,375	12,066	(309)
Local Funds	7,800	7,800	0	(7,800)
Fees, Charges, Commissions for Services	7,000	7,000	7,594	594
Other	4,000	4,000	798	(3,202)
Total Revenues	<u>479,353</u>	<u>485,261</u>	<u>426,936</u>	<u>(58,325)</u>
Expenditures:				
Current:				
Culture & Recreation	<u>368,543</u>	<u>410,658</u>	<u>369,531</u>	<u>41,127</u>
Total Expenditures	<u>368,543</u>	<u>410,658</u>	<u>369,531</u>	<u>41,127</u>
Excess (Deficiency) of Revenues over Expenditures	<u>110,810</u>	<u>74,603</u>	<u>57,405</u>	<u>(17,198)</u>
Other Financing Sources				
Proceeds from Sale of Property	<u>250</u>	<u>250</u>	<u>455</u>	<u>205</u>
Total Other Operating Sources (Uses)	<u>250</u>	<u>250</u>	<u>455</u>	<u>205</u>
Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	111,060	74,853	57,860	(16,993)
Fund Balances - Beginning	<u>929,410</u>	<u>929,410</u>	<u>929,410</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 1,040,470</u>	<u>\$ 1,004,263</u>	<u>\$ 987,270</u>	<u>\$ (16,993)</u>

Required supplementary information.

Winn Parish Police Jury
Winnfield, Louisiana

Schedule 5

Budgetary Comparison Schedule
Sales Tax Fund – Cash Basis
For the Year Ended December 31, 2005

	Budget		2005 Actual	Variance Actual with Budget Favorable (Unfavorable)
	Original	Final		
Revenues:				
Taxes:				
Sales	\$ 943,200	\$ 1,031,273	\$ 1,051,957	\$ 20,684
Other	-	-	-	-
Total Revenues	<u>943,200</u>	<u>1,031,273</u>	<u>1,051,957</u>	<u>20,684</u>
Expenditures:				
Current:				
General Government:				
Financial & Administration	29,796	52,886	48,399	4,487
Public Works:				
Courthouse	210,541	279,759	279,269	490
Garbage	504,000	500,536	500,537	(1)
Total Expenditures	<u>744,337</u>	<u>833,181</u>	<u>828,205</u>	<u>4,976</u>
Excess (Deficiency) of Revenues over Expenditures	198,863	198,092	223,752	25,660
Fund Balances - Beginning	<u>299,331</u>	<u>299,331</u>	<u>299,331</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 498,194</u>	<u>\$ 497,423</u>	<u>\$ 523,083</u>	<u>\$ 25,660</u>

Required supplementary information.

OTHER SUPPLEMENTARY INFORMATION

Winn Parish Police Jury
Winnfield, Louisiana

Non-Major Governmental Funds
Combining Balance Sheets
December 31, 2005

	Criminal Court	Section 8 Housing	Total Other Governmental Funds
Assets			
Cash and Cash Equivalents	\$ 131	\$ 34,016	\$ 34,147
Receivables	7,022	2,354	9,376
Total Assets	<u>\$ 7,153</u>	<u>\$ 36,370</u>	<u>\$ 43,523</u>
Liabilities			
Accounts Payable	\$ -	\$ 462	\$ 462
Payroll Related Liabilities	-	825	825
Deferred Revenues	-	35,083	35,083
Total Liabilities	<u>-</u>	<u>36,370</u>	<u>36,370</u>
Fund Balances			
Reserved	-	-	-
Unreserved	7,153	-	7,153
Total Liabilities & Fund Balances	<u>\$ 7,153</u>	<u>\$ 36,370</u>	<u>\$ 43,523</u>

Presented as additional analytic data.

Winn Parish Police Jury
Winnfield, Louisiana

Non-Major Governmental Funds
Combining Statements of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended December 31, 2005

	<u>Criminal Court</u>	<u>Section 8 Housing</u>	<u>Total Other Governmental Funds</u>
Revenues:			
Intergovernmental Revenues:			
Federal Funds	\$ -	\$ 267,870	\$ 267,870
Fines & Forfeitures	140,363	-	140,363
Use of Money	-	206	206
Other	-	-	-
Total Revenues	<u>140,363</u>	<u>268,076</u>	<u>408,439</u>
Expenditures:			
Current:			
General Government:			
Judicial	140,102	-	140,102
Health & Welfare	-	268,076	268,076
Total Expenditures	<u>140,102</u>	<u>268,076</u>	<u>408,178</u>
Excess (Deficiency) of Revenues over Expenditures	<u>261</u>	<u>-</u>	<u>261</u>
Net Change in Fund Balances	261	-	261
Fund Balances - Beginning	<u>6,892</u>	<u>-</u>	<u>6,892</u>
Fund Balances - Ending	<u>\$ 7,153</u>	<u>\$ -</u>	<u>\$ 7,153</u>

Presented as additional analytic data.

Winn Parish Police Jury
Winnfield, Louisiana
Supplemental Information Schedules
December 31, 2005

Compensation Paid to Jury Members

The schedule of compensation paid to police jurors is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. Compensation of the police jurors is included in the legislative expenditures of the General Fund. In accordance with Louisiana Revised Statute 33:1233, the police jury has elected the monthly payment method of compensation. Under this method, jurors receive \$900 per month, while the president receives an additional \$100 per month for performing the additional duties of the office.

<u>Jury Member</u>	<u>Amount</u>
Carpenter, Johnny R.	\$10,800
Flowers, Samuel E.	10,800
Garrett, John E.	10,800
Hubbard, Lowell	10,800
Hutto, Robert L. (President)	12,000
Lasyone, Earl	10,800
Leeper, Morris	<u>10,800</u>
Total	<u>\$76,800</u>

Winn Parish Police Jury
 Supplementary Schedule of Expenditures of Federal Awards
 Year Ended December 31, 2005

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's ID Number</u>	<u>Total Current Year Expenditures</u>
U. S. Department of Agriculture-			
Passed through LA Department of Treasury - School and Roads - Grants to Counties	10.666	n/a	\$ 310,030
U. S. Department of Homeland Security -			
Passed through LA Office Emergency Preparedness and State Police - -State Homeland Security Grant Program	97.004	2003-MU-T3-0022	100,589
U. S. Department of Housing & Urban Development-			
Direct program - Section 8 Housing Choice Voucher Program	14.871	n/a	266,070
U. S. Department of the Interior-			
Direct program - U. S. Treasury - Payments in-lieu-of taxes	15.000	n/a	<u>21,912</u>
Total Expenditures			<u>\$ 698,601</u>

The expenditures are on the modified accrual basis of accounting.

COMPLIANCE, INTERNAL CONTROL AND OTHER INFORMATION

WHITE & BATES

CERTIFIED PUBLIC ACCOUNTANTS
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WINNFIELD, LA 71483
(318) 628-3985

LAWRENCE I. WHITE, C.P.A.

STEVEN F. BATES, C.P.A.

REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Jury Members of the
Winn Parish Police Jury

We have audited the primary government financial statements of the Winn Parish Police Jury as of and for the year ended December 31, 2005, and have issued our report thereon dated June 2, 2006. We conducted our audit in accordance with U.S. generally accepted auditing standards, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the "*Louisiana Governmental Audit Guide*".

Compliance

As part of obtaining reasonable assurance about whether the Winn Parish Police Jury's primary government financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financing Reporting

In planning and performing our audit, we considered the Winn Parish Police Jury's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the primary government financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in the amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of management, others within the organization, Police Jury members, and federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Although the intended use of these reports may be limited, under Louisiana Revised Statutes, the report is distributed as a public document by the Louisiana Legislative Auditor.

White & Bates

White & Bates
Winnfield, Louisiana
June 2, 2006

WHITE & BATES

CERTIFIED PUBLIC ACCOUNTANTS
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WINNFIELD, LA 71483
(318) 628-3985

LAWRENCE J. WHITE, C.P.A.

STEVEN F. BATES, C.P.A.

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the Jury Members of the
Winn Parish Police Jury

Compliance

We have audited the compliance of the Winn Parish Police Jury with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2005. The Winn Parish Police Jury's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Winn Parish Police Jury's management. Our responsibility is to express an opinion on the Winn Parish Police Jury's compliance based on our audit.

We conducted our audit of compliance in accordance with U. S. generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Winn Parish Police Jury's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Winn Parish Police Jury's compliance with those requirements.

In our opinion, the Winn Parish Police Jury complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2005.

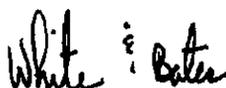
Internal Control Over Compliance

The management of the Winn Parish Police Jury is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Winn Parish Police Jury's internal control over compliance with requirements that could have a direct and material effect on a major

federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level that risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended for the information of management, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Although the intended use of these reports may be limited, under Louisiana Revised Statutes, this report is distributed as a public document by the Louisiana Legislative Auditor.

A handwritten signature in cursive script that reads "White & Bates".

White & Bates
Winnfield, Louisiana
June 2, 2006

Winn Parish Police Jury
Winnfield, Louisiana

Schedule of Findings and Questioned Costs
Year Ended December 31, 2005

I. SUMMARY OF AUDIT RESULTS

FINANCIAL STATEMENTS:

1. An unqualified opinion was issued on the primary government financial statements of the Winn Parish Police Jury as of and for the year ended December 31, 2005.
2. The audit of the primary government financial statements disclosed no material weaknesses and no reportable conditions were identified in internal control over financial reporting.
3. The audit of the primary government financial statements disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

FEDERAL AWARDS

1. No reportable conditions relating to the audit of the major federal programs is reported on compliance with requirements applicable to each major program and internal control over compliance.
2. An unqualified opinion was issued on compliance for major programs.
3. The audit did not disclose findings related to federal awards that are required to be reported under OMB Circular A-133.
4. The following programs were major for the year ended December 31, 2005:

U.S. Department of Agriculture -
Schools and Roads - Grants to Counties (CFDA #10.666)
5. \$300,000 was the threshold used to distinguish Type A from Type B programs.
6. The Winn Parish Police Jury did qualify as a low-risk auditee for December 31, 2005.

II. FINDINGS – FINANCIAL STATEMENTS AUDIT

None

III. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAM AUDIT

None

Winn Parish Police Jury
Schedule of Prior Year Audit Findings
Year Ended December 31, 2004

Management Letter Comments

1. Title III Program Administration

Observation - The Title III Program is a Federal grant, whereby the Winn Parish Police Jury is required to spend the program funds on certain approved activities, after such proposals have been advertised for public comment in the Jury's official journal. This procedure insures that the public has an opportunity to participate and comment on such proposal.

Recommendation - The Winn Parish Police Jury needs to document requirements regarding new or non-recurring grants in order to comply with grant terms and conditions and to insure that public participation is obtained when required.

Action Taken - The Police Jury appropriately advertised for public comments and participation on all of the Title III programs approved during 2005.